

June 26, 2019



EAS Proposal of Hyannis Air Service, Inc. dba Cape Air for:

Quincy, IL

Docket DOT-OST-2003-14492

With codeshare of **AmericanAirlines** 

Hyannis Air Service, Inc., dba Cape Air
Attn: Andrew Bonney, SVP Planning
660 Barnstable Road, Hyannis, MA 02601
(508) 862-9719

Cape Air®

Cape Air Fast Facts



- Scheduled airline since 1989
- 86 aircraft in the fleet
- 34 cities served
- 750 employees
- Flying 500,000+ passengers per year
- Employee-owned and empowered workforce





Cape Air

Featuring

World class distribution

- ✓ Codeshare with American Airlines
- ✓ Interline with all the legacy airlines
- ✓ Distribution through major online travel agencies
- ✓ Cape Air controls its own fares



Cape Air

Airline Partners

Cape Air connects with:

jetBlue
AIRWAYS*

 **DELTA** 
AIR LINES

American Airlines 

QATAR
AIRWAYS 

UNITED 

Alaska
AIRLINES*

 **Condor**

Cape Air 

Connecting itineraries are also available on united.com...



UNITED 

United States | English Saved trips Contact us MileagePlus: Sign in or join

From: New York/Newark, NJ, US (EWR) To: Kirksville, MO, US (IRK)

Departure date: Sep 17, 2019 | Return date: Add return date | Search by: Price | Award travel | Update | Advanced search

**25,000 BONUS MILES
\$250 STATEMENT CREDIT**
No blackout dates [Learn more](#)

Departure: New York/Newark, NJ, US → Kirksville, MO, US

ⓘ Fares are for the entire one-way trip, per person, and include taxes and fees. Additional bag charges may apply.

Sat 9/14 \$330	Sun 9/15 \$330	Mon 9/16 \$330	Tue 9/17 \$330	Wed 9/18 \$330	Thu 9/19 \$330	Fri 9/20 \$330
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With stops \$330 [Choose connecting airports](#) [Show fare type comparison](#)

Depart Arrive Economy First (2-cabin, lowest)

3:00 pm	6:45 pm	1 stop	4h 45m	 Details Seats	\$340	\$457	<small>Mixed cabin</small> \$479
Includes Travel Operated By Republic Airlines Dba United Express, Cape Air				<input type="button" value="Select"/>	<input type="button" value="Select"/>	<input type="button" value="Select"/>	

10:45 am	2:55 pm	1 stop	5h 10m	 Details Seats	\$330	\$457	Not available
Includes Travel Operated By Commutair Dba United Express, Cape Air				<input type="button" value="Select"/>	<input type="button" value="Select"/>		



Cape Air participates in TSA's
PreCheck program



TSA Pre✓™



Cape Air

Cape Air includes a ramp-side inter-terminal shuttle for St. Louis, facilitating seamless connections between terminals without having to re-clear security

Cape Air's St. Louis inter-terminal shuttle



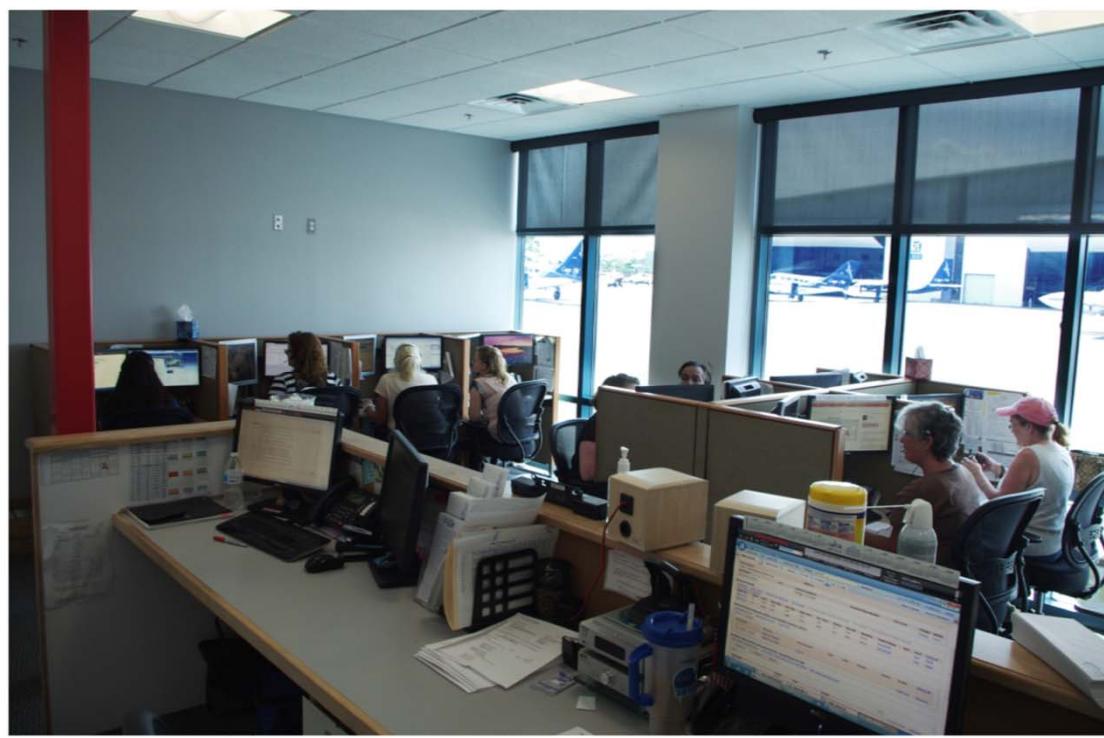
No TSA rescreening
to connect between
terminals at St.
Louis!

Cape Air

Reservations: 1-800-CAPE-AIR



Cape Air Reservations Department



**No fee to speak
with a reservations
agent!**

Cape Air

TravelPass

Electronic 10-ticket discount program



Cape Air®

Commitment To Safety



Cape Air

Safety first

Core of our culture



Cape Air's #1 priority is the safety of our operation

- Multi-engine aircraft
- Safety audits annually by:
 - American Airlines
 - United Airlines
 - JetBlue Airways
- SMS program approved by FAA
- 30 years experience
 - 100,000+ flights per year
- FAA certified under Part 121 + 135
- All captains have an Air Transport Pilot Certificate
 - 1,500 hours minimum
- Director of Safety
 - Department of 3 safety professionals
- WAAS-enabled GPS navigation

Safety mantra:

“Make the tough call in the name of safety, and we will support you”

Tecnam P2012 Traveller

Brand New Aircraft

Proposed for Quincy



Cape Air

Cape Air proposes Quincy service in our fleet of brand new twin-engine Tecnam P2012 Travellers



Taxi-out of Cape Air's first production Tecnam P2012 Traveller

March 19, 2019

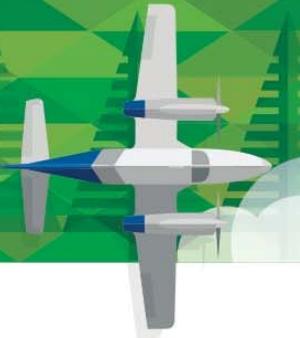


Features

- **Two engines, for safety**
- 9 passenger seats
- 2 pilot seats, and certificated for single pilot operations
- Italian leather seats
- Air conditioning
- LED lighting
- USB ports



The “Traveller” was custom designed by Cape Air and Tecnam with communities like Quincy in mind



Highlights

- The first new purpose-designed commuter aircraft in 40 years
- Brand-new design
- Electronically controlled engines
- Glass cockpit
 - Garmin G1000 Nxi avionics
- Luxurious cabin with 9 single seats





Cape Air's Tecnam P2012 Traveller

**Cape Air**
We're Your Wings

Hub Options

Options:

- 36x weekly to/from St. Louis Lambert International Airport (STL)
- 24x weekly to/from STL + 12x weekly to/from Chicago O'Hare
- 18x weekly to/from STL + 18x weekly to/from Chicago O'Hare



Cape Air

Cape Air is delighted to offer Quincy the option to have flights to both St. Louis and Chicago O'Hare



Chicago, Illinois



Chicago fast facts

- Population (2018): 2,705,994
- Hosted 58 million visitors in 2018
- Top Chicago attractions:
 - Millennium Park
 - Navy Pier
 - Shedd Aquarium
 - The Field Museum
 - Museum of Science and Industry
- Chicago O'Hare Airport: one of the largest airports in the world



In addition to being a world-class destination,
Chicago O'Hare has non-stop air service to
244 destinations

Chicago O'Hare cities served (June 2019 OAG)

City	Code	Seats	City	Code	Seats	City	Code	Seats	City	Code	Seats	City	Code	Seats	City	Code	Seats	City	Code	Seats	City	Code	Seats
New York, NY	LGA	38,817	Santa Ana, CA	SNA	8,472	Harrisburg, PA	MDT	4,133	Abu Dhabi, UAE	AUH	2,660	Stockholm, Sweden	ARN	1,862	Monterrey, Mexico	MTY	1,064	Bend/Redmond, OR	RDM	532			
Los Angeles, CA	LAX	31,076	Salt Lake City, UT	SLC	8,139	Jacksonville, FL	JAX	4,081	Appleton, WI	ATW	2,650	Copenhagen, Denmark	CPH	1,862	Kalamazoo, MI	AZO	1,050	Halifax, NS	YHZ	532			
Dallas/Ft. Worth, TX	DFW	27,429	Indianapolis, IN	IND	8,097	Memphis, TN	MEM	4,077	Peoria, IL	PIA	2,650	El Paso, TX	ELP	1,856	Erie, PA	ERI	1,050	Budapest, Hungary	BUD	504			
Denver, CO	DEN	26,354	Buffalo, NY	BUF	7,513	Sacramento, CA	SMF	4,063	Rochester, MN	RST	2,630	La Crosse, WI	LSE	1,850	Manhattan, KS	MHK	1,050	Sarasota/Bradenton, FL	SRO	483			
San Francisco, CA	SFO	25,877	Tampa, FL	TPA	7,401	San Jose, CA	SJC	4,010	Duluth, MN	DLH	2,590	Colorado Springs, CO	COS	1,772	Toledo, OH	TOL	1,050	Providenciales	PLS	480			
Boston, MA	BOS	24,345	Dublin, Ireland	DUB	7,203	Louisville, KY	SDF	3,980	Providence, RI	PVD	2,570	Kalispell, MT	FCA	1,754	Oakland, CA	OAK	1,015	San Jose Del Cabo, Mexico	SJD	448			
Seattle, WA	SEA	21,737	Omaha, NE	OMA	7,112	Jackson, WY	JAC	3,928	Rapid City, SD	RAP	2,570	Charlottesville, VA	CHO	1,750	Columbia, SC	CAE	1,000	Mobile, AL	BFM	372			
Atlanta, GA	ATL	21,568	Cincinnati, OH	CVG	6,914	Hong Kong	HKG	3,927	Myrtle Beach, SC	MYR	2,560	Philipsburg, PA	SCE	1,750	Charleston, WV	CRW	1,000	Branson, MO	BKG	372			
Minneapolis/St. Paul, MN	MSP	21,012	Grand Rapids, MI	GRR	6,641	Cedar Rapids, IA	CID	3,906	San Juan, PR	SJU	2,552	Allentown/Bethlehem, PA	ABE	1,700	Dubuque, IA	DBQ	1,000	Harlingen/San Benito, TX	HRL	372			
Washington, DC	DCA	18,893	Cancun, Mexico	CUN	6,605	Calgary, AB	YYC	3,882	Lexington, KY	LEX	2,505	Scranton, PA	AVP	1,700	Saginaw, MI	MBS	1,000	Clarksburg/Fairmont, WV	CKB	350			
New York, NY	EWR	18,541	Vancouver, BC	YVR	6,600	Seoul, Republic of Korea	ICN	3,542	White Plains, NY	HPN	2,504	Lansing, MI	LAN	1,676	Springfield, IL	SPI	1,000	Lewisburg, WV	LWB	350			
London, UK	LHR	17,269	Syracuse, NY	SYR	6,472	Amsterdam, Netherlands	AMS	3,518	Dubai, UAE	DXB	2,492	Taipei, Taiwan	TPE	1,665	Manchester, NH	MHT	980	Meridian, MS	MEI	350			
Philadelphia, PA	PHL	17,014	Tokyo, Japan	NRT	6,383	Oklahoma City, OK	OKC	3,511	Istanbul, Turkey	IST	2,443	Bangor, ME	BGR	1,663	Bloomington, IL	BMI	958	Queretaro, Mexico	QRO	348			
Houston, TX	IAH	16,972	Washington, DC	IAD	2,629	Bozeman, MT	BZN	3,480	Madrid, Spain	MAD	2,436	Champaign/Urbana, IL	CMI	1,608	Sioux City, IA	SUX	950	Montego Bay, Jamaica	MBJ	326			
Las Vegas, NV	LAS	16,749	New York, NY	JFK	6,148	Shanghai, China	PVG	3,449	Wichita, KS	ICT	2,400	Athens, Greece	ATH	1,582	Wilmington, NC	ILM	921	Puerto Vallarta, Mexico	PVR	302			
Orlando, FL	MCO	15,762	Rochester, NY	ROC	6,108	Knoxville, TN	TYS	3,444	Delhi, India	DEL	2,394	Venice, Italy	VCE	1,582	Fresno, CA	FAT	918	Cape Girardeau, MO	CGI	300			
Phoenix, AZ	PHX	14,948	Des Moines, IA	DSM	6,053	Burlington, VT	BTW	3,423	Fort Wayne, IN	FWA	2,380	Boise, ID	BOI	1,554	Grand Cayman	GCM	888	Staunton, VA	SHD	300			
Charlotte, NC	CLT	14,828	Munich, Germany	MUC	5,907	Zurich, Switzerland	ZRH	3,352	Reykjavik, Iceland	KEF	2,375	South Bend, IN	SBN	1,520	Krakow, Poland	KRK	882	Salina, KS	SLN	300			
Miami, FL	MIA	12,374	Albany, NY	ALB	5,815	Springfield, MO	SGF	3,290	Savannah, GA	SAV	2,347	Tokyo, Japan	HND	1,484	Marquette, MI	MQT	845	Nassau, Bahamas	NAS	288			
Detroit, MI	DTW	12,304	Fort Lauderdale, FL	FLL	5,638	Reno, NV	RNO	3,276	Doha, Qatar	DOH	2,345	Lisbon, Portugal	LIS	1,463	Auckland, New Zealand	AKL	840	Ogdensburg, NY	OGS	250			
Toronto, ON	YYZ	11,973	Madison, WI	MSN	5,570	Green Bay, WI	GRB	3,275	Greenville, SC	GSP	2,316	Pensacola, FL	PNS	1,366	Waterloo, IA	ALO	700	Decatur, IL	DEC	216			
Raleigh/Durham, NC	RDU	11,901	San Antonio, TX	SAT	5,304	Charleston, SC	CHS	3,262	Birmingham, AL	BHM	2,288	Addis Ababa, Ethiopia	ADD	1,350	Bismarck/Mandan, ND	BIS	700	Aruba, Aruba	AUA	179			
Cleveland, OH	CLE	10,933	Fort Myers, FL	RSW	5,116	Warsaw, Poland	WAW	3,150	Tucson, AZ	TUS	2,240	Asheville, NC	AVL	1,350	Hancock/Houghton, MI	CMX	700	Valparaiso, FL	VPS	176			
San Diego, CA	SAN	10,584	Paris, France	CDG	4,907	Portland, ME	PWM	3,056	Panama City, Panama	PTY	2,156	Lincoln, NE	LNK	1,350	Eau Claire, WI	EAU	700	Santa Cruz Huatulco, Mexico	HUX	174			
Kansas City, MO	MCI	10,295	Rome, Italy	FCO	4,872	Beijing, China	PEK	3,037	Greensboro, NC	GSO	2,050	Philadelphia, PA	TTN	1,302	Muskegon, MI	MKG	700	Panama City, FL	ECP	170			
Pittsburgh, PA	PIT	10,244	Norfolk, VA	ORF	4,608	Sioux Falls, SD	FSD	2,995	Helsinki, Finland	HEL	2,023	Huntsville, AL	HSV	1,250	Winnipeg, MB	YWG	700	Liberia, Costa Rica	LIR	166			
Baltimore, MD	BWI	10,206	New Orleans, LA	MSY	4,589	Columbia/Jefferson City, MO	COU	2,940	Amman, Jordan	AMM	2,000	Quebec, QC	YQB	1,232	Chattanooga, TN	CHA	650	Guatemala City, Guatemala	GUA	160			
Mexico City, Mexico	MEX	9,866	Montreal, QC	YUL	4,436	Tulsa, OK	TUL	2,935	Akron/Canton, OH	CAK	2,000	Edinburgh, UK	EDI	1,183	Paducah, KY	PAH	650	Durango, CO	DRO	146			
Columbus, OH	CMH	9,840	Traverse City, MI	TVF	4,318	Flint, MI	FNT	2,910	Vienna, Austria	VIE	1,952	Fairbanks, AK	FAI	1,162	Joplin, MO	JLN	616	Head of the Hills, SC	HHH	138			
Austin, TX	AUS	9,746	Fayetteville, AR	XNA	4,314	Barcelona, Spain	BCN	2,894	Wausau, WI	CWA	1,950	Spokane, WA	GEG	1,151	Quincy, IL	UIN	600	Key West, FL	EYW	76			
Hartford, CT	BDL	8,859	Anchorage, AK	ANC	4,282	Albuquerque, NM	ABQ	2,766	Evansville, IN	EVV	1,950	London, UK	LGW	1,142	Montrose/Delta, CO	MTJ	566	Grand Junction, CO	GJT	76			
Portland, OR	PDX	8,856	Richmond, VA	RIC	4,262	Fargo, ND	FAR	2,719	Brussels, Belgium	BRU	1,869	Aspen, CO	ASE	1,120	Billings, MT	BIL	532	Burlington, IA	BRL	56			
Frankfurt, Germany	FRA	8,694	Dayton, OH	DAY	4,254	Moline, IL	MLI	2,700	Sao Paulo, Brazil	GRU	1,869	West Palm Beach, FL	PBI	1,120	Leon-Guanajuato, Mexico	BJX	532	Ironwood, MI	IWD	52			
St. Louis, MO	STL	8,691	Milwaukee, WI	MKE	4,206	Little Rock, AR	LIT	2,688	Honolulu, HI	HNL	1,869	Missoula, MT	MSO	1,092	Eugene, OR	EUG	532	Mason City, IA	MCW	48			
Nashville, TN	BNA	8,602	Guadalajara, Mexico	GDL	4,192	Punta Cana, Dominican Republic	PUJ	2,676	Kahului, HI	OGG	1,869	Roanoke, VA	ROA	1,069	Great Falls, MT	GTF	532						

Cape Air has existing American Airlines codeshare on St. Louis service; if Chicago service is selected, Cape Air would invite American Airlines to codeshare

Chicago O'Hare route map



Source: OAG June 2019

Cape Air®

And, St. Louis continues to be a great destination and connect point for Quincy

St. Louis skyline



Cape Air

St. Louis has non-stop service to 68 destinations



St. Louis Lambert cities served

Rank	Destination	Seats	Rank	Destination	Seats	Rank	Destination	Seats	Rank	Destination	Seats	Rank	Destination	Seats
1	Atlanta, GA	55,354	18	Newark, NJ	17,783	35	Raleigh/Durham, NC	8,755	52	Washington, DC (Dulles)	4,520			
2	Denver, CO	44,858	19	Baltimore, MD	17,593	36	Milwaukee, WI	8,473	53	Sacramento, CA	4,450			
3	Chicago, IL (O'Hare)	39,616	20	Seattle, WA	15,515	37	Oklahoma City, OK	8,326	54	San Jose, CA	4,386			
4	Dallas/Ft. Worth, TX (DFW)	31,780	21	Boston, MA	15,465	38	Austin, TX	8,296	55	Cincinnati, OH	2,680			
5	Minneapolis/St. Paul, MN	31,474	22	Kansas City, MO	14,206	39	Des Moines, IA	8,025	56	Punta Cana, DR	2,418			
6	Chicago, IL (Midway)	30,766	23	San Francisco, CA	13,113	40	Salt Lake City, UT	8,008	57	Fort Leonard Wood, MO	1,500			
7	New York, NY (LGA)	29,991	24	Omaha, NE	12,315	41	Wichita, KS	7,993	58	Marion/Herrin, IL	1,350			
8	Orlando, FL	26,833	25	Nashville, TN	12,283	42	Tulsa, OK	7,897	59	Charleston, SC	1,144			
9	Washington, DC (DCA)	25,899	26	San Diego, CA	11,474	43	Little Rock, AR	7,865	60	Pensacola, FL	858			
10	Phoenix, AZ	25,568	27	Cleveland, OH	11,186	44	Fort Myers, FL	7,410	61	Kirksville, MO	810			
11	Dallas, TX (Love)	24,760	28	Tampa, FL	11,145	45	Miami, FL	6,448	62	Owensboro, KY	810			
12	Detroit, MI	22,814	29	Houston, TX (Bush)	10,713	46	Portland, OR	6,211	63	Decatur, IL	495			
13	Philadelphia, PA	22,667	30	Fort Lauderdale, FL	10,524	47	Panama City, FL	5,530	64	Fort Dodge, IA	470			
14	Los Angeles, CA	22,572	31	Columbus, OH	9,427	48	Toronto, ON	5,400	65	Montego Bay, Jamaica	429			
15	Las Vegas, NV	22,367	32	Cancun, Mexico	9,045	49	Hartford, CT	5,186	66	Jonesboro, AR	308			
16	Charlotte/Concord, NC	19,692	33	San Antonio, TX	8,996	50	Pittsburgh, PA	5,005	67	Burlington, IA	200			
17	Houston, TX	18,587	34	New Orleans, LA	8,772	51	Oakland, CA	4,770	68	Jackson, TN	200			
													Total	851,779

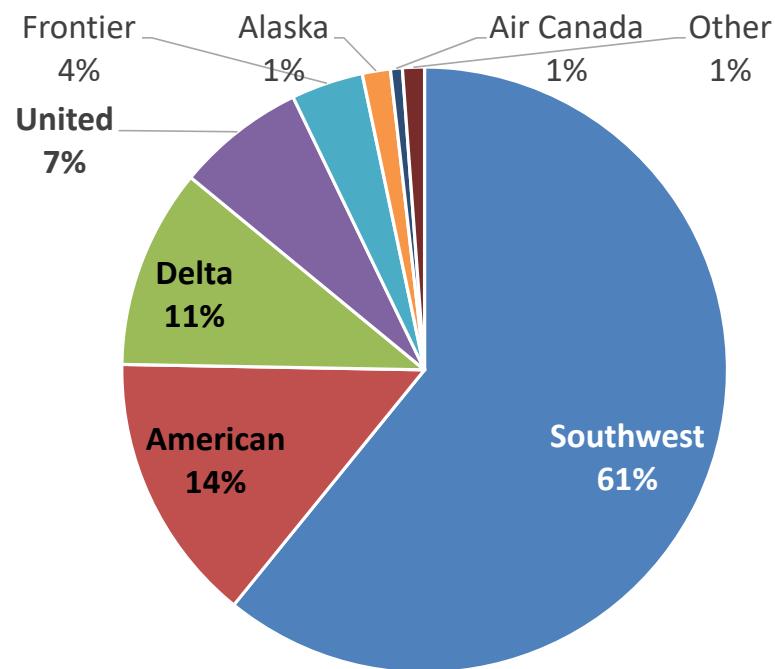
Source: OAG June 2019

St. Louis route map



Source: OAG June 2019

St. Louis seat share by airline



Source: OAG June 2019

Cape Air

Cape Air's codeshare partner American Airlines flies to nine non-stop destinations from St. Louis



American Airlines' route map at St. Louis
June 2019



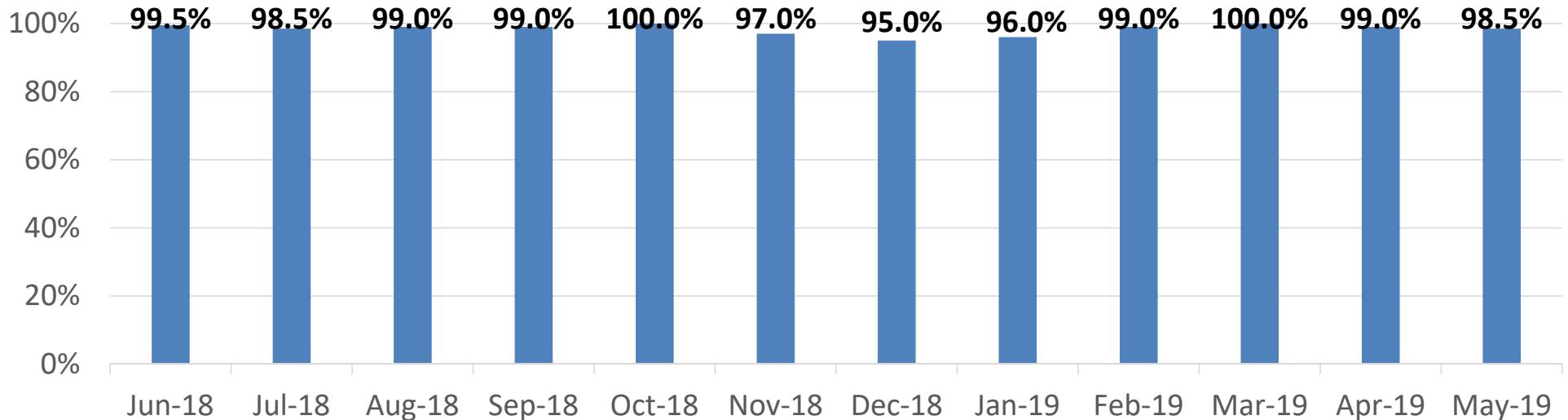
Source: OAG June 2019

Cape Air

Reliability is a Cape Air forte, with company controllable completion rates of 98.4% during the last year in a comparable Midwest market



Company controllable completion rate MWA-STL



Cape Air offers communities reliable,
high-frequency service



Marketing And Community Engagement



Cape Air

Cape Air's marketing for Quincy, with a \$45,000 budget, would be active and targeted



Salukis speed to St. Louis.

Easy connections
Free parking

From Veterans Airport

\$29*
from each way

Book flights

Cape Air

- Targeted online/digital marketing
- Advanced SEO and SEM
- Outdoor
- Radio: FM/AM and streaming digital
- TV
- Social
- Print
- Community engagement
- Contesting
- Event sponsorship

Where do you need to be?

Fly from Veterans Airport for easy connections. Free parking.

Book flights

St. Louis

\$29*
from each way

CHICAGO
ST. LOUIS
DENVER
LAS VEGAS
NASHVILLE
ORLANDO

Cape Air



In addition to advertising, engagement with local organizations is core to Cape Air's service for Quincy



Community engagement and event participation—a Cape Air forte



Left Turn Media - 2017

Cape Air®

Cape Air Magazine, in front of more than 500,000 passenger per year, promotes each community Cape Air serves



ROUTE MAP

The Midwest

From expansive parks and preserves to cultural events, there is plenty to do in each of these cities – anchored by the major metropolitan areas of Chicago and St. Louis – proving the Midwest is more than just a collection of “fly-over” states.

Reasons to Visit

- OWENSBORO, KY**
 - International Bluegrass Music Museum
 - Smothers Park
 - Owensboro Museum of Science and History
 - Miller House
- CHICAGO, IL**
 - Giant Park
 - Wrigley Field
 - Magnificent Mile
 - Art Institute of Chicago
- MARION, IL**
 - Cub Orchard National Wildlife Refuge
 - Sauvieuse National Forest
 - Southern Illinois University
 - McLeod Summer Playhouse

PHOTO COURTESY OF APARTAMENTOS

Top Hotels

THE PENINSULA
Chicago, IL
Located right on the Magnificent Mile, this landmark high-rise hotel offers sophisticated suites, restaurants, and a variety of dining options, including a modern Chinese eatery, a European-style cafe, and a cocktail bar.

ANGAD ARTS HOTEL
St. Louis, MO
Set in a red brick building, this hip, art-inspired boutique hotel features trendy rooms adorned in bright colors and artsy murals.

HAMPTON INN
OWENSBORO, KY
Offering a Cape Air city ticket office, this LEED certified hotel is within easy walking distance of downtown's iconic attractions like the International Bluegrass and Music Museum and the Kentucky Botanical Garden.

Top Annual Events

MAY-SEPTEMBER

Southern Illinois Miners Baseball Season - Marion, IL
Come see Southern Illinois's favorite baseball team, the Miners, play regularly at Rent One Park.

JULY

Let Them Eat Art - St. Louis, MO
The whimsical tribute to Betty White's 90th birthday, this self-guided tour through the streets of historic Maplewood, live art demonstrations, music, entertainment, and food and drink specials street-side.

Like a Local

Businessman, developer, and civic leader who helped revitalize the Delmar Loop area in St. Louis, Joe Edwards reveals his favorite attractions in this major city along the mighty Mississippi.

AUGUST

Decatur Craft Beer Festival - Decatur, IL
One of the biggest craft-eavers of the year, Decatur Arts Council, this event brings more than 80 craft beers from multiple Central Illinois breweries and local food trucks to downtown for a day of socializing and sampling.

SEPTEMBER

NEMO Fair - Kirksville, MO
This week of food, fun, rides, games, concerts, contests, and agriculture celebrates life in northeast Missouri at the NEMO Fairgrounds.

SEPTEMBER

Owensboro Air Show - Owensboro, KY
All eyes will be on the skies over the Ohio River as performers from around the world bring vintage warbirds, aerobatic demonstrations, and military jets, including the navy's Blue Angels.

Cape Air

The Cape Air difference

High frequency, new multi-engine aircraft, connectivity



- Brand new **multi-engine** aircraft
 - Proposal includes brand-new Tecnam P2012 Travellers, with 9 passenger seats plus 2 pilot seats
 - Flights scheduled to be flown by 2 pilots
- High frequency: **36 flights per week!**
- **American Airlines** codeshare
- Options for both **St. Louis** and **Chicago** service
- Experienced community partner
 - Robust **marketing budget: \$45,000**/year
 - Active community engagement
- **Interline** partnerships with:
 - Alaska
 - American
 - Delta
 - JetBlue
 - United
 - And more
- **TSA Pre-Check**
- Planes and pilots **based in Quincy**



EAS Proposal Options



Option 1: 36x per week Quincy – St. Louis



Drivers

Weekly RTs	36
Minimum completion rate	97%
Daily RTs	5.1
Pax/Dpt	5.4
LF	60%
Fare (average net)	\$50
Pax Rev/Dpt	\$270
Annual Sched Dpts	3,754
Annual Pax	19,665

Note: See escalation factors subsequent slide

4-year option
preferred

Expenses

Two-year term; discount for 4-year term, preferred, is noted below

Fuel	\$586,297
Maintenance	\$579,558
Pilots, Supplies & Training	\$575,235
Ownership	\$426,181
Rents	\$193,375
Staff	\$285,576
Landing Fees	\$155,392
Marketing	\$45,000
Customer Svc.	\$45,260
General & Admin./Other	\$125,920
Operating expense	\$3,017,794
Return of 5%	\$158,831
Economic Expense	\$3,176,626
Passenger Revenue	\$983,247
Profit	(\$2,193,378)

Proposed Subsidy	\$2,193,378
Per Departure	\$602

Discount for 4-year term

Proposed Subsidy	\$2,130,403
Per Departure	\$567

Year 1
Year 1

Option 2: 24x weekly STL + 12x weekly ORD



Drivers

	<u>UIN-STL</u>	<u>ORD-UIN</u>	<u>Total</u>
Weekly RTs	24	12	36
Minimum completion rate	97%	97%	97%
Daily RTs	3.4	1.7	5.1
Pax/Dpt	5.4	5.4	5.4
LF	60%	60%	60%
Fare (average net)	\$50	\$75	\$58
Pax Rev/Dpt	\$270	\$405	\$315
Annual Sched Dpts	2,503	1,251	3,754
Annual Pax	13,110	6,555	19,665

Note: See escalation factors subsequent slide

4-year option
preferred

Expenses

Two-year term; discount for 4-year term, preferred, is noted below

	<u>UIN-STL</u>	<u>ORD-UIN</u>	<u>Total</u>
Fuel	\$390,865	\$417,990	\$808,854
Maintenance	\$386,372	\$429,708	\$816,080
Pilots, Supplies & Training	\$383,490	\$201,578	\$585,068
Ownership	\$284,120	\$315,987	\$600,108
Rents	\$128,917	\$14,896	\$143,813
Staff	\$190,384	\$222,276	\$412,660
Landing Fees	\$103,595	\$42,253	\$145,847
Marketing	\$30,000	\$15,000	\$45,000
Customer Svc.	\$30,173	\$0	\$30,173
General & Admin./Other	\$83,947	\$50,624	\$134,570
Operating expense	\$2,011,863	\$1,710,310	\$3,722,173
Return of 5%	\$105,888	\$90,016	\$195,904
Economic Expense	\$2,117,750	\$1,800,327	\$3,918,077
Passenger Revenue	\$655,498	\$491,624	\$1,147,122
Profit	(\$1,462,252)	(\$1,308,703)	(\$2,770,955)
Proposed Subsidy	\$1,462,252	\$1,308,703	\$2,770,955
Per Departure	\$602	\$1,078	\$738
Proposed Subsidy	\$1,420,269	\$1,271,128	\$2,691,397
Per Departure	\$567	\$1,016	\$717

Year 1
Year 1

Option 3: 18x weekly STL + 18x weekly ORD



Drivers

	<u>UIN-STL</u>	<u>ORD-UIN</u>	<u>Total</u>
Weekly RTs	18	18	36
Minimum completion rate	97%	97%	97%
Daily RTs	2.6	2.6	5.1
Pax/Dpt	5.4	5.4	5.4
LF	60%	60%	60%
Fare (average net)	\$50	\$75	\$63
Pax Rev/Dpt	\$270	\$405	\$338
Annual Sched Dpts	1,877	1,877	3,754
Annual Pax	9,832	9,832	19,665

Note: See escalation factors subsequent slide

4-year option
preferred

Expenses

Two-year term; discount for 4-year term, preferred, is noted below

	<u>UIN-STL</u>	<u>ORD-UIN</u>	<u>Total</u>
Fuel	\$293,148	\$626,985	\$920,133
Maintenance	\$289,779	\$644,561	\$934,341
Pilots, Supplies & Training	\$287,617	\$302,367	\$589,984
Ownership	\$213,090	\$473,981	\$687,071
Rents	\$96,688	\$22,344	\$119,031
Staff	\$142,788	\$333,413	\$476,202
Landing Fees	\$77,696	\$63,379	\$141,075
Marketing	\$22,500	\$22,500	\$45,000
Customer Svc.	\$22,630	\$0	\$22,630
General & Admin./Other	\$62,960	\$75,936	\$138,896
Operating expense	\$1,508,897	\$2,565,465	\$4,074,363
Return of 5%	\$79,416	\$135,024	\$214,440
Economic Expense	\$1,588,313	\$2,700,490	\$4,288,803
Passenger Revenue	\$491,624	\$737,436	\$1,229,059
Profit	(\$1,096,689)	(\$1,963,054)	(\$3,059,743)
Proposed Subsidy	\$1,096,689	\$1,963,054	\$3,059,743
Per Departure	\$602	\$1,078	\$815
Proposed Subsidy	\$1,065,202	\$1,906,692	\$2,971,894
Per Departure	\$567	\$1,016	\$792

Year 1

To align revenue with costs, Cape Air proposes annual escalation factors



Annual subsidy including escalation

Two-year reselection	Option 1			Option 2			Option 3		
	<u>UIN-STL</u>	<u>UIN-STL</u>	<u>ORD-UIN</u>	<u>Total</u>	<u>UIN-STL</u>	<u>ORD-UIN</u>	<u>Total</u>		
Year 1	\$2,193,378	\$1,462,252	\$1,308,703	\$2,770,955	\$1,096,689	\$1,963,054	\$3,059,743		
Year 2	\$2,259,179	\$1,506,120	\$1,347,964	\$2,854,084	\$1,129,590	\$2,021,946	\$3,151,536		
Four-year reselection									
Year 1	\$2,130,403	\$1,420,269	\$1,271,128	\$2,691,397	\$1,065,202	\$1,906,692	\$2,971,894		
Year 2	\$2,194,315	\$1,462,877	\$1,309,262	\$2,772,139	\$1,097,158	\$1,963,893	\$3,061,051		
Year 3	\$2,260,145	\$1,506,763	\$1,348,540	\$2,855,303	\$1,130,072	\$2,022,810	\$3,152,882		
Year 4	\$2,327,949	\$1,551,966	\$1,388,996	\$2,940,962	\$1,163,975	\$2,083,494	\$3,247,469		

Preferred



Thank you!



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